

COMMENTS

The NABTP was formed in 1991 as a not-for-profit corporation dedicated to the advancement of minorities specifically within the field of telecommunications. Among other things, the NABTP identifies and analyzes technology issues that intersect with issues relevant to minority telecommunications professionals nationally, highlights those issues for our membership, and for legislative and regulatory entities.

It is our belief that the current C and F Block repayment schedule will negatively impact upon minority ownership opportunities, minority employment opportunities, and competition. The current schedule whereby interest only payments must be submitted quarterly for the first five (5) years of the license and interest plus principal during years six (6) through ten (10) is a serious drain on the financial resources of the C and F Block PCS licensees; namely minority and women-owned businesses, and small businesses. This financial obligation seriously impedes the C and F Block PCS licensees ability to negotiate competitive financing terms and the ability to attract investors. The current FCC payment schedule requires licensees to choose

between using scarce capital to build facilities and markets or to pay down license debt.

NABTP is a proponent of revising the current Federal Communications Commission (FCC) schedule. We believe that restructuring the C and F Block repayment schedule to suspend all payments until year five (5) of a license (coupled with strictly enforced facility build out requirements); along with the repayment of the balance of the principal and interest over the remaining five (5) years is a practical and necessary step. Such a restructuring would be in the best interest of minority and women owned C and F Block PCS licensee businesses thereby expanding ownership, employment opportunities, and competition.

CONCLUSION

NABTP believes that restructuring the C and F Block repayment schedule will provide a number of significant benefits. C and F Block licensees would benefit by being given the opportunity to build facilities and develop markets before payments to the FCC become due. Minority, women, and small business licensees would benefit by a reduction in the number of C and F Block defaults. A

restructuring of the repayment schedule coupled with enforcement of facility build out requirements would dictate that current staffing levels be increased thereby creating new employment opportunities for minorities. And last but not least, C and F Block licensees would have a real opportunity to accomplish the purpose for which they were authorized - increased competition.

Respectfully submitted,

NABTP, INC.



Nathan Roberts

Attorney at Law

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May 20, 1997

97-82

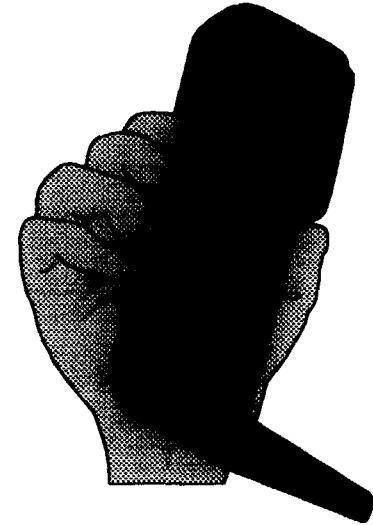
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AUG 19 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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LEHMAN BROTHERS

Recommendations

- ◆ **Do it quickly - weeks, not months**
- ◆ **Give back interest payments made for March 31**
- ◆ **Change the rate on the debt to 6.5%**
- ◆ **Make all the rule changes proposed**
 - no minimum for the control group
 - up to 49.9% for any other investor
 - foreign ownership up to WTO levels now

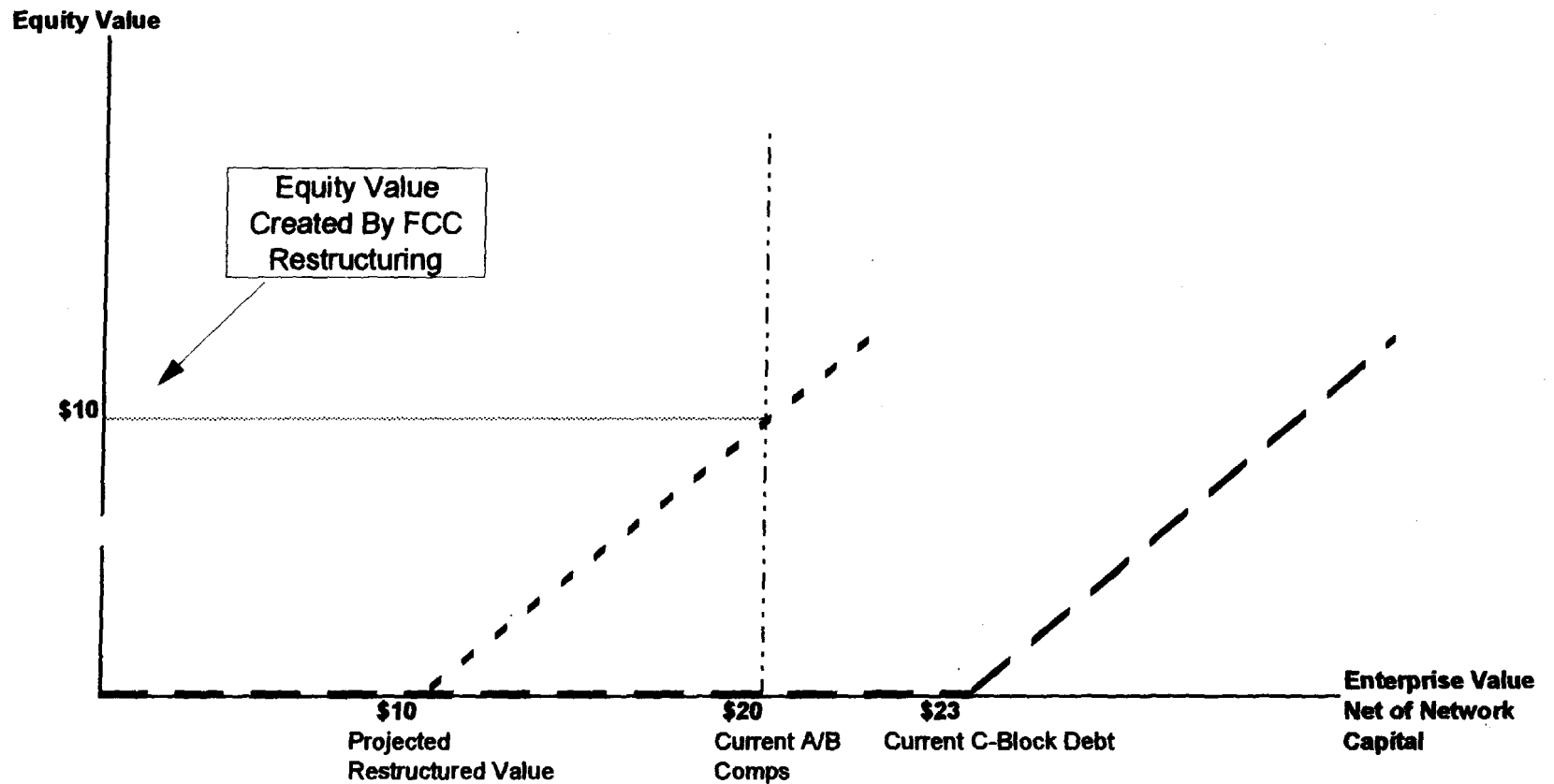
...but these steps are not enough.

Further Recommendations

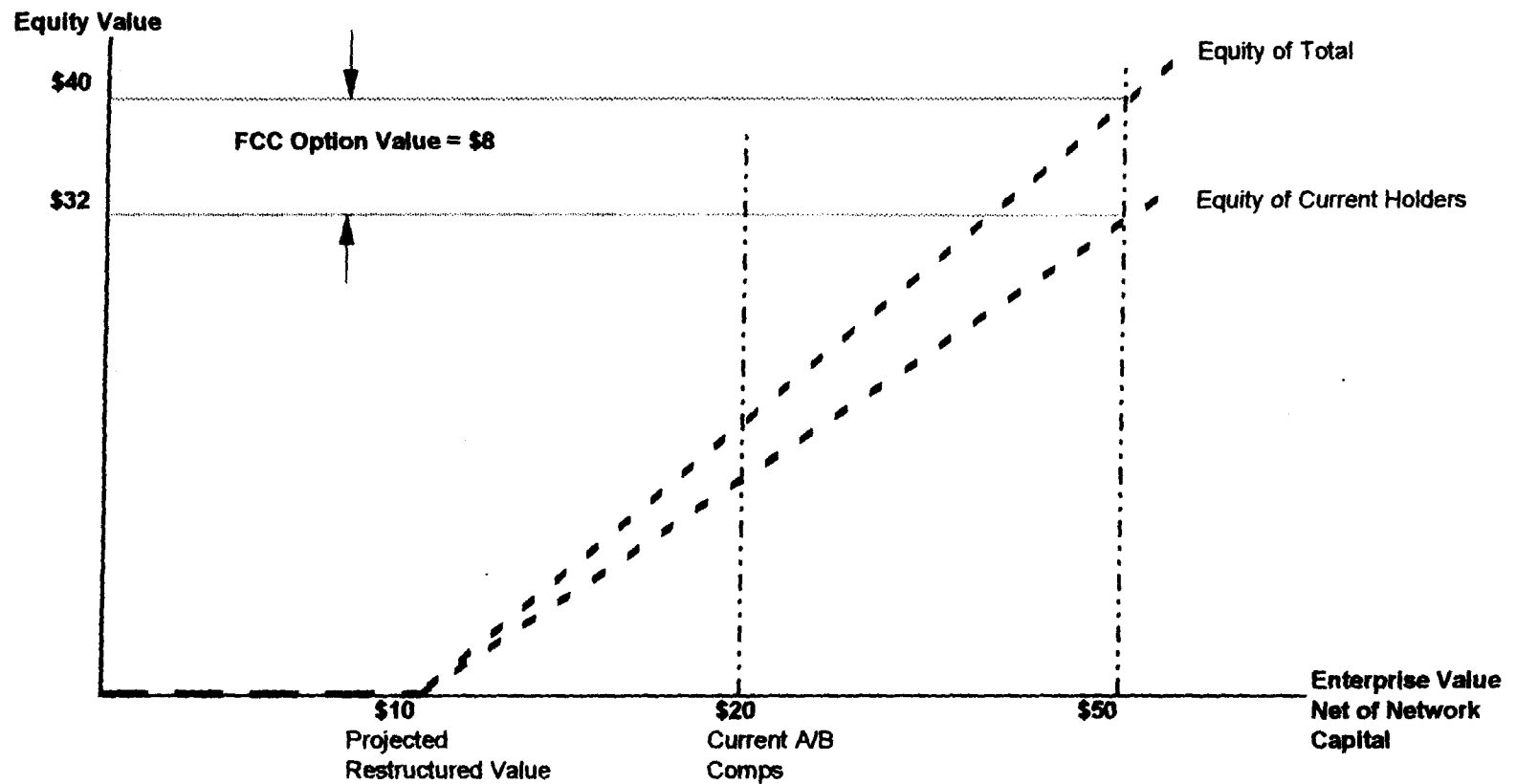
- ◆ **Get the debt below \$10 per-POP**
 - defer principal and interest
 - cut the principal outright
 - possibly offer the gov't equity in return for debt relief

- ◆ **Remove debt from government hands**
 - allow pre-payment by bidders
 - securitize and sell the portfolio
 - allow transfer of the lien to non-DE in distress situations
 - FCC avoids further workouts in the future

Effects of Debt Restructuring



Effects of Equity Proposal



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Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

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97-82

June 21, 1997

Re: WT Docket 97-82

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Chairman,

Within the past few years, the you have seized the opportunity to create true competition in the wireless industry, first by creating the PCS band, and more importantly by establishing the Entrepreneur's Block. As a wireless reseller we were excited about our future due to the promise of the Entrepreneur's band providing the resale economics which the incumbent cellular and A&B block PCS winners do not deliver.

Prepay Technologies was established in 1996 to provide prepaid wireless service on a wholesale basis to companies who are currently providing cellular service or PCS services on a retail, credit basis. We are based in California and maintain an operation of approximately 30 employees and independent contractors. Given the recent developments and growth in the PCS market, we look forward to the reselling opportunity that PCS has to offer.

Even though the first set of PCS licensees were predominately incumbent carriers, we as resellers, began the innovative planning process in anticipation of the Entrepreneur's of "C" block auction which should be called the Consumer or Competitive Block. The Consumer Block winners offer the promise for true competition, both facilities and non-facilities based in the wireless industry. For instance, Consumer Block licensee NextWave intends to offer only wholesale minutes while also offering facilities based resale. The carrier deliberately planning to not compete with its resale customers. This creates huge opportunity for small businesses participating in the wireless industry.

With such a bright future, our resale opportunity now hangs in the balance. Two years after the big businesses have secured their financing and have launched in many markets, the C block winners are facing difficult financial markets. Small businesses' access to capital is always limited, but after licensing delays, and the public markets devaluation of wireless stocks, particularly new entrant's issues, these new licensees are hard-pressed to access capital as displayed by Chase Telecom's recent postponement of their high yield offering.

On March 31st, the payments due from the auctions were suspended indefinitely by you. This short term solution without a definitive future payment schedule has made it even more difficult for these licensees to secure domestic capital to build their networks. Knowing that you are fully aware of these difficulties and are considering ways to ensure the promise of the Entrepreneurs' Block, please consider exercising the prominence of your position by pushing for swift, decisive action in restructuring the license payments.

My company's viability as a national reseller rests on the success of the Consumer Block winners. Our business plan has been developed around the opportunity afforded us by true and fair wireless competition. Please work diligently to afford the small businesses in America the chance to create true competition in wireless communication; an industry historically dominated and currently controlled by big business.

Chairman, your consideration and action on these time sensitive issues is greatly appreciated. Please respond at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Hecox", written over a horizontal line.

Larry Hecox
President
Prepay Technologies

c.c. Commissioner James H. Quello, Commissioner Rachelle B. Chong,
Commissioner Susan Ness & William F. Caton

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